

FILED

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1 KEVIN O'ROURKE
2 SOUTHWELL & O'ROURKE, P.S.
Attorneys at Law
3 960 Paulsen Center
4 W. 421 Riverside Avenue
5 Spokane, WA 99201
6 (509) 624-0159

UNITED STATES BANKRUPTCY COURT U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

6 In re:

No.: 08-04161-FLK11

7 STARLIGHT, LLC, d/b/a STARLIGHT
8 LOUNGE & DINING ROOM,

Chapter 11

CONCLUSIONS OF LAW

Debtor.

9
10 **THIS MATTER** came on for hearing on the filing of the Plan of Reorganization, as
11 amended, ("Plan"), and the Court having herein entered its Findings of Fact, based upon the
12 evidence produced, the Court now makes the following:

13 **CONCLUSIONS OF LAW**

14 1. The Plan has been accepted in writing by the creditors and equity security holders
15 whose acceptance is required by law; and

16 2. The provisions of Chapter 11 have been complied with; the Plan has been
17 proposed in good faith and not by means forbidden by law; and

18 3. (i) Each holder of a claim or interest has accepted the Plan or will receive or retain
19 under the Plan, property of a value, as of the effective date of the Plan, that is not less than the
20 amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of
21 the Code on such date, or (ii) the Plan does not discriminate unfairly, and is fair and equitable with
22 respect to each class of claims or interest that are impaired under the Plan and has not accepted
23 the Plan; and

24 4. All payments made or promised by the Debtor or by a person issuing securities or
25 acquiring property under the Plan or by an other person for services or for costs and expenses in,
Conclusions of Law-1

SOUTHWELL & O'ROURKE, P.S.
A PROFESSIONAL SERVICE CORPORATION
ATTORNEYS AT LAW
SUITE 960, PAULSEN CENTER
WEST 421 RIVERSIDE AVENUE
SPOKANE, WASHINGTON 99201
TELEPHONE (509) 624-0159

1 or in connection with, the Plan and incident to the case, have been fully disclosed to the Court and
2 are reasonable or, if to be fixed after confirmation of the Plan, will be subject to approval of the
3 Court; and

4 5. The identity qualifications and affiliations of the persons who are to be members or
5 managers, if any, of the Debtor after confirmation of the Plan have been fully disclosed, and the
6 appointment of such persons to such offices or the continued appointment of such persons to such
7 offices, or their continuance therein, is equitable and consistent with the interests of the creditors
8 and equity security holders and with public policy; and

9 6. The identity of any insider that will be employed or retained by the Debtor and their
10 compensation has been fully disclosed; and

11 7. (i) Confirmation of the Plan is not likely to be followed by the liquidation or the need
12 for further financial reorganization of the Debtor or (ii) if the Plan is a Plan of liquidation, the Plan
13 sets a time period in which liquidation will be accomplished, and provides for eventuality if the
14 liquidation is not accomplished in that period; and

15 8. Substantial consummation shall not occur before the sixtieth (60th) day after the
16 Effective Date; and

17 9. Closing of Case: Sixty (60) days following the filing of the final account, the final
18 decree will be entered and the case shall be closed, unless a motion is filed requesting that the
19 final decree not be so entered; and

20 10. Debtor's Plan, as amended, shall be confirmed, subject to the following:

21 a. Notwithstanding any provision of the Plan and/or Amendment to the
22 contrary, the Debtor's claim against insider Doris Morgan for the Debtor's post-
23 petition payment of an obligation of Doris Morgan to Dell Bach in the approximate
24
25

Conclusions of Law-2

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1 amount of \$19,000.00 is hereby reserved if Debtor defaults in any payments of
2 the Plan;

3 b. Notwithstanding any provision of the Plan, as amended, to the contrary, until
4 Debtor satisfies all payments required under the confirmed Plan, within ten (10) business
5 days of any written request by any party-in-interest, Debtor shall provide to the requesting
6 party Debtor's Net Average Income, as defined in Article X of the Plan, along with
7 supporting profit and loss statements used by Debtor to compute Debtor's Net Average
8 Income; provided, however, that Debtor shall not be required to provide Debtor's Net
9 Average Income and supporting profit and loss statement to any party-in-interest more than
10 twice per year, beginning 6 months from the entry of the Court's Order confirming the Plan.

11 11. If a final account has not been filed within sixty (60) days following the confirmation
12 of the Plan, a final decree may be entered and the case closed, unless a party in interest has filed
13 a written objection.

14 PRESENTED BY:

15 SOUTHWELL & O'ROURKE, P.S.

16
17 BY: /s/ Kevin O'Rourke
18 KEVIN O'ROURKE, WSBA #28912

19 So Ordered this 14th
20 day of July, 2009
21 Frank J. Kuntz
22
23
24
25 Judge

Conclusions of Law-3

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